

Currently Authorized Financing Mechanisms in North Carolina

- General obligation bonds
- Certificates of participation
- Tax increment financing (TIFs)
- Synthetic TIFs (COPS)
- Special assessment district revenue bonds
- Industrial revenue bonds

Issues to Consider for Future Legislation

For discussion purposes, the list below sets out five broad aspects that should be considered when crafting public-private partnership legislation.

1. Scope

- a. What is the primary goal behind encouraging greater use of public-private partnerships?
 - Faster project delivery?
 - Reduced cost?
 - Sharing of risk?
 - Additional financing methods?
- b. Should potential legislation be limited to specific agencies (for example, NC DOT) and areas (for example, water and sewer), or should it be broad and granting authority?
- c. Should public private partnerships be limited to new or “greenfield” projects or should existing or “brownfield” projects also be considered.

2. Adequate Revenue

- a. Should potential legislation authorize the creation of additional revenue streams?
- b. Should a private entity be required to contribute a portion of the funds required to complete a project?
- c. Who should have control over increases or decreases in the revenue stream?
- d. Should there be a profit-sharing agreement?
- e. How should any potential impact on the State's debt capacity and credit rating be considered?

3. Access

- a. Should a private entity have to pay to bid?
- b. What is the best way to balance the need for open competition and the value of participation by local, small, minority, and women-owned business with the benefits of increased flexibility and time savings?
- c. Should public-private partnerships authorized by the potential legislation be subject to public bidding laws?

4. Transparency

- a. What type of oversight should there be?
- b. Should potential legislation require public-private partnership contracts to include provisions providing for additional transparency?
- c. Should Public Private Partnerships be subject to public comment, citizen review panels, or other forms of citizen input and engagement?

5. Risk Management and Accountability

- a. Should there be performance goals?
- b. Should a separate office or agency provide oversight of all Public Private Partnerships?
- c. What agency or office should be responsible for monitoring and oversight of Public Private Partnerships?